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H.R. 2088, United States Grain Standards Act Reauthorization Act of 2015, as amended

FLOOR SITUATION

On Tuesday, June 9, 2015, the House will consider [H.R. 2088](#), *United States Grain Standards Act Reauthorization Act of 2015, as amended*, under a suspension of the rules. H.R. 2088 was introduced on April 29, 2015, by Rep. Michael Conaway (R-TX) and was referred to the Committee on Agriculture, which ordered the bill reported by voice vote on April 30, 2015.

SUMMARY

H.R. 2088 reauthorizes provisions of the United States Grain Standards Act until September 30, 2020, and amends the act to provide a safeguard mechanism for grain inspection services in the event of an interruption of official inspection services.

The Federal Grain Inspection Service (FGIS), which operates under the USDA, is responsible for ensuring standard grain inspection procedure in the U.S. The bill provides that in the event of an anticipated disruption in service not caused by a major disaster,¹ the delegated State agency shall give FGIS at least 72 hours prior notice. Once the disruption in service occurs, FGIS must resume official inspection and weighing services within six hours. If no prior notice was given, FGIS has 12 hours to provide the services. FGIS may use either Federal inspectors or inspectors from another delegated State agency to remedy the situation.² FGIS is required to report to Congress the reason(s) for the service interruption, and provide the determination and justification for revoking or retaining the State agency's delegated status.³

If FGIS fails to provide for official inspection services within the time period established, the export elevator at an export port location will for the first time be authorized to solicit service from another delegated or designated State agency. This safeguard is meant to ensure that if the Secretary fails to act, interruptions to commerce will be minimized.

¹ "Major disaster" is defined in Section 2 (B) (1)

² See [House Report 114-133](#) at 4.

³ Id.

The bill ends the permanent delegation authority by the FGIS to State agencies to carry out export inspection and weighing services. Within two years of enactment, FGIS must review current State agency delegations by existing statutory criteria.⁴

The bill also changes the fee calculation for inspection and weighing services based on export tonnage to be based on a five-year rolling average of export tonnage volumes. The five year rolling average is designed to provide more predictability and better reflect the market. The bill also directs the Secretary of Agriculture to annually adjust the fees to maintain a three to six month operation reserve.⁵

BACKGROUND

The United States Grain Standards Act (USGSA) of 1916 authorizes the Secretary of Agriculture to establish official marketing standards for grains and oilseeds, and to provide procedures for grain inspection and weighing. Most of the Act is permanently authorized, including mandatory inspection and weighing of exported grain, as well as authority to amend grain quality standards; however, several provisions of the Act expire on September 30, 2015.

The Federal Grain Inspection Service (FGIS) was established by Congress in 1976 to manage the national grain inspection system. The goal of creating a single Federal grain inspection entity was to ensure development and maintenance of uniform U.S. standards, to develop inspection and weighing procedures for grain in domestic and export trade, and to facilitate grain marketing.⁶ Certain States which performed export inspection functions prior to July 1st, 1976 were delegated the authority to conduct mandatory export inspection services. The FGIS is permitted to designate inspection authority for voluntary domestic weighing and grading services to certain state and private entities that adhere to certain inspection standards.

In early July 2014, Washington State Department of Agriculture (WSDA), the delegated State agency providing export inspections at the United Grain Corporation terminal at the Port of Vancouver (Washington), discontinued its export inspection service amid an ongoing labor dispute between several grain companies and unions and contractors, stating at the time that the provision of inspection services would not aid in resolving the labor dispute. In mid-July 2014, a number of agricultural groups and the Grain Inspection Advisory Committee urged the FGIS to take immediate action to restore service, by using either Federal inspectors or qualified inspectors from other delegated agencies.⁷

FGIS declined to use federal inspectors to resume inspections at the port, claiming that inspectors would not have safe access to the facility, although they never provided documentation of these safety concerns to the Committee after repeated requests. The USDA security inspector sent to the facility to conduct a security audit confirmed to the Committee that there existed no security risks that would prevent the immediate resumption of inspection services. Although FGIS is statutorily required to step in to resume export inspections in situations such as this, inspections did not resume until August of 2014 when the grain companies and unions reached an agreement. H.R. 2088 provides

⁴ Id.

⁵ Id.

⁶ See [USDA GIPSA History and Mission](#).

⁷ See [House Report 114-133](#) at 2.

certain safeguard measures to ensure inspections continue to occur in the event of a disaster or other disruption in services.⁸

According to the bill sponsor, “It is essential for grain inspections to take place in a timely fashion, given that 95 percent of the world’s population resides outside the U.S. These inspections guarantee that we have access to global markets.”⁹

COST

The Congressional Budget Office (CBO) [estimates](#) implementing H.R. 2088 would cost \$106 million over the 2016 to 2020 period, assuming appropriation of the necessary amounts. Enacting the bill would affect direct spending; therefore, pay-as-you-go procedures apply. However, CBO estimates that such effects would not be significant in any year. The bill would not affect revenues.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

⁸ Id. at 3.

⁹ See [Agriculture Committee Press Release](#), April 30, 2015.